

INSIGHTS

Volume 4: Issue 7 August 2014

SC Department of Employment and Workforce

Business Intelligence Department

Economic Indicators

August 2014 - Seasonally Adjusted (SA)

	United States	SC
Labor Force	155,959,000	2,173,859
Employed	146,368,000	2,035,751
Unemployed	9,591,000	138,108
Unemployed Rate	6.1%	6.4%

Average Hours & Earnings

	United States (SA)	SC (Unadj.)
Manufacturing		
Avg. Weekly Earnings	\$1,022.13	\$765.08
Avg. Weekly Hours	41.0	41.2
Avg. Hourly Wage	\$ 24.93	\$ 18.57

Top Job Growth by MSA (SA)

	Over Month % Change	Over Year % Change
Anderson MSA	0.75%	2.84%
Columbia MSA	0.69%	0.52%
Charleston MSA	0.58%	0.26%
Greenville MSA	0.19%	2.25%

Employment to Population Ratio (SA)

	2014	2013
U.S. Population Ratio	59.0%	58.6%
S.C. Population Ratio	54.2%	54.3%

Labor Force Participation Rate (SA)

	August	July	% Change
U.S. Participation Rate	62.8%	62.9%	-0.1%
S.C. Participation Rate	57.9%	57.8%	0.1%

United States Consumer Price Index

12-Month CPI	1.7%
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HIGHLIGHTS

- Unemployment rate rises for second month (5.8% to 6.4%)
- Employed rolls fall by about 7,650
- Total labor force increases by about 5,750
- An increase of new entrants and re-entrants bumped up the labor force total

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[S.C. Employment Situation Report](#)

Employment
7,649



Unemployment
13,396



Unemployment
Rate
0.6%



Unemployment Rises for Second Consecutive Month

The state's unemployment rate rose for the second consecutive month to 6.4 percent, and July's unemployment rate was revised upward to 5.8 percent from a preliminary 5.7 percent estimate.

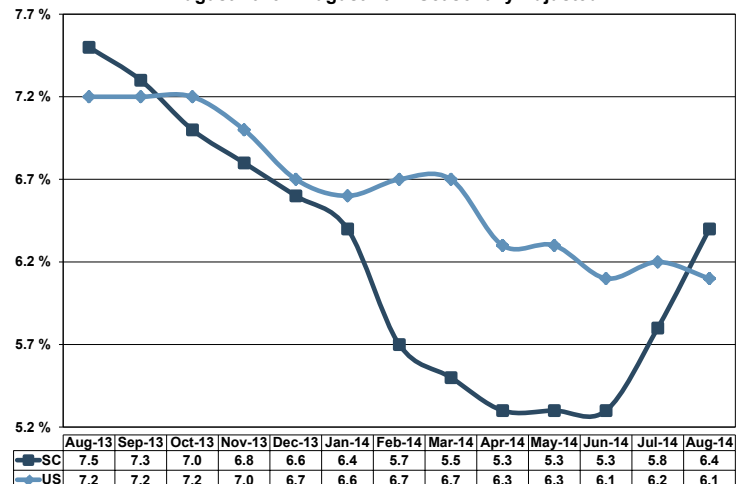
During August, the estimated number of employed people decreased by nearly 7,650 and was approximately 2,035,750. The number of unemployed people was estimated at about 138,100, marking an increase of nearly 13,400. Monthly labor force estimates edged up by nearly 5,750 to approximately 2,173,860 people.

Over the year, an approximate 20,170 people found work. The number of unemployed people decreased by nearly 26,450 as the unemployment rate declined 1.1 percentage points. Approximately 6,300 people left the labor force when compared to August 2013, a decline of less than three tenths of one percent.

Nationally, the August unemployment rate decreased to 6.1 percent from 6.2 percent in July, overall showing little movement over the past three months.

The consecutive statewide rate increases have been driven by an increase of new entrants and re-entrants to the labor force, along with an increase in job losers over the past three months.

Unemployment Rates in South Carolina and The United States
August 2013 – August 2014 Seasonally Adjusted



Insights is prepared in conjunction with the U.S. Department of Labor, Bureau of Labor Statistics. The current month's estimates are preliminary, while all previous data are subject to revision. All estimates are projected from a first quarter 2013 benchmark. To subscribe to *Insights*, please email bidcustomerservice@dew.sc.gov or to provide feedback please click on the [BID Customer Feedback Form](#).

State Unemployment Rates

Georgia	8.1
Mississippi	7.9
Rhode Island	7.7
District Of Columbia	7.6
Nevada	7.6
California	7.4
Michigan	7.4
Tennessee	7.4
Oregon	7.2
Arizona	7.1
Kentucky	7.1
Alabama	6.9
Alaska	6.8
North Carolina	6.8
Illinois	6.7
New Mexico	6.7
Connecticut	6.6
New Jersey	6.6
West Virginia	6.6
Delaware	6.5
Maryland	6.4
New York	6.4
South Carolina	6.4
Arkansas	6.3
Florida	6.3
Missouri	6.3
United States	6.1
Indiana	5.8
Louisiana	5.8
Massachusetts	5.8
Pennsylvania	5.8
Ohio	5.7
Maine	5.6
Virginia	5.6
Washington	5.6
Wisconsin	5.6
Texas	5.3
Colorado	5.1
Kansas	4.9
Idaho	4.7
Montana	4.7
Oklahoma	4.7
Wyoming	4.6
Iowa	4.5
New Hampshire	4.4
Hawaii	4.3
Minnesota	4.3
Vermont	4.1
Nebraska	3.6
South Dakota	3.6
Utah	3.6
North Dakota	2.8

South Carolina Ranked 21 of 51 in August

According to the Bureau of Labor Statistics (BLS), 15 states experienced decreases in their unemployment rates, 24 states and the District of Columbia had increases, and 11 states remained unchanged. South Carolina ranked 21 out of 51 in August at 6.4 percent. In the Southeast region, South Carolina's rate remained lower than Alabama, Georgia, Kentucky, Mississippi, North Carolina, and Tennessee.

New Mexico experienced a significant (0.6 percent) employment increase, followed by Nebraska at 0.5 percent, and Alabama and Georgia at 0.4 percent each. The largest decrease in employment was in New Hampshire at -0.7 percent, followed by the District of Columbia and Idaho at -0.6 each.

Over the year, nonfarm employment increased in 49 states and the District of Columbia. The largest over-the-year increase occurred in North Dakota at 4.4 percent, followed by Nevada, Texas, and Utah at 3.5 percent each. Alaska experienced an over-the-year decline of -0.8 percent.

August Unemployment Rate by County

For the third consecutive month, not seasonally adjusted county unemployment rates moved higher.

Over the month, all 46 counties showed increases in their not seasonally adjusted unemployment rates. Calhoun and Orangeburg counties experienced the largest increases, rising 2.1 and 1.4 percentage points, respectively. Aiken County noted the smallest increase at 0.1 percentage points.

Since August 2013, 43 of 46 county rates have declined. Calhoun (+2.3) and Orangeburg (+1.2) counties have marked over-the-year increases in their unemployment rates. Bamberg County has seen no change.

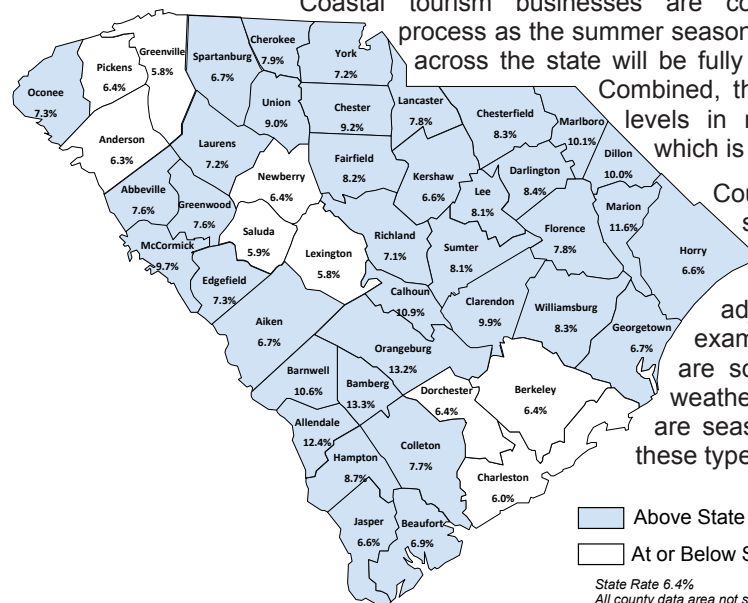
Looking at employment growth over the year, 43 of 46 counties have marked increases. Horry County has seen the most gains with nearly 4,400 people finding work. Greenville (+2,400), York (+1,545), and Anderson (+1,345) counties have experienced stable growth also.

Looking ahead, online retailers, as well as brick and mortar retailers, are assessing hiring needs in preparation for the approaching holiday season. Also, transportation and shipping companies that deliver the products to customers are looking at seasonal hiring needs.

Coastal tourism businesses are completing the ramp-down process as the summer season comes to a close. Schools across the state will be fully staffed by mid-September.

Combined, this will impact employment levels in many areas of the state, which is typical for this time of year.

County rates are not seasonally adjusted and are derived from the statewide not seasonally adjusted rate. Some examples of seasonal influence are school terms, holidays, and weather patterns. Statewide rates are seasonally adjusted to remove these type of influences.



■ Above State Rate
 □ At or Below State Rate

State Rate 6.4%
 All county data area not seasonally adjusted.

Employment Changes by County June 2014 through August 2014

County	Employment			Net Change From	
	Aug 2014	Jul 2014	Jun 2014	Jul '14 - Aug '14	Jun '14 - Jul '14
Abbeville	10,005	10,132	10,245	-127	-113
Aiken	72,511	73,126	72,692	-615	434
Allendale	2,832	2,850	2,869	-18	-19
Anderson	82,610	83,071	83,652	-461	-581
Bamberg	5,030	5,100	5,156	-70	-56
Barnwell	7,371	7,465	7,518	-94	-53
Beaufort	61,186	62,247	63,028	-1,061	-781
Berkeley	82,442	83,154	83,016	-712	138
Calhoun	5,950	5,979	6,033	-29	-54
Charleston	169,907	171,374	171,090	-1,467	284
Cherokee	23,187	23,505	23,813	-318	-308
Chester	13,487	13,577	13,709	-90	-132
Chesterfield	17,254	17,409	17,566	-155	-157
Clarendon	10,992	11,087	11,161	-95	-74
Colleton	15,631	15,818	15,945	-187	-127
Darlington	27,841	28,110	28,244	-269	-134
Dillon	11,309	11,437	11,552	-128	-115
Dorchester	65,917	66,486	66,376	-569	110
Edgefield	10,237	10,324	10,262	-87	62
Fairfield	9,293	9,339	9,423	-46	-84
Florence	58,374	58,938	59,219	-564	-281
Georgetown	27,720	28,199	28,347	-479	-148
Greenville	218,913	220,085	221,647	-1,172	-1,562
Greenwood	28,189	28,673	29,062	-484	-389
Hampton	6,978	7,051	7,121	-73	-70
Horry	130,028	134,464	132,742	-4,436	1,722
Jasper	9,917	10,088	10,215	-171	-127
Kershaw	27,420	27,556	27,803	-136	-247
Lancaster	30,976	31,292	31,635	-316	-343
Laurens	28,074	28,224	28,424	-150	-200
Lee	7,399	7,435	7,469	-36	-34
Lexington	127,896	128,530	129,683	-634	-1,153
McCormick	2,985	3,028	3,057	-43	-29
Marion	10,135	10,260	10,301	-125	-41
Marlboro	10,073	10,175	10,298	-102	-123
Newberry	17,020	17,183	17,347	-163	-164
Oconee	29,346	29,723	30,047	-377	-324
Orangeburg	35,377	35,891	36,299	-514	-408
Pickens	54,227	54,517	54,904	-290	-387
Richland	170,815	171,661	173,201	-846	-1,540
Saluda	8,355	8,396	8,471	-41	-75
Spartanburg	129,897	130,611	131,631	-714	-1,020
Sumter	40,823	41,154	41,271	-331	-117
Union	10,574	10,701	10,819	-127	-118
Williamsburg	14,282	14,445	14,533	-163	-88
York	105,258	105,005	105,723	253	-718

South Carolina Non-Farm Employment Trends for August - Seasonally Adjusted

In August 2014, seasonally adjusted total nonfarm payroll employment increased by 5,000 from July. The most growth in employment occurred in Education and Health Services, which gained 2,800.

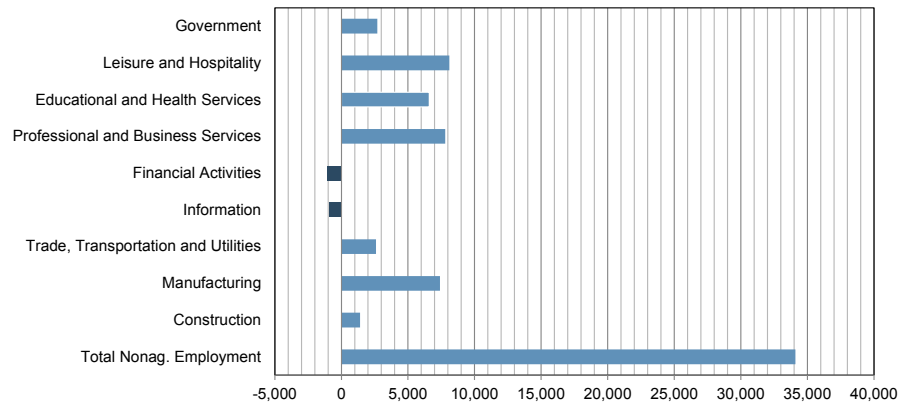
Along with the over-the-month increase in Education and Health Services, there was growth in Leisure and Hospitality (+1,200); Manufacturing (+1,000); Professional and Business Services (+800); Other Services (+400); and Government (+200). Losses were reported in Information (-700); Trade, Transportation, and Utilities (-400); and Construction (-200).

From August 2013 to August 2014, nonfarm employment grew 34,100. Essentially every industrial sector continued to see growth over the year. The industry reporting the largest gain was Leisure and Hospitality (+8,100). Slightly below that was Professional and Business Services (+7,800), followed by Manufacturing (+7,400); Education and Health Services (+6,600); Government (+2,700); Trade, Transportation, and Utilities (+2,600); and Construction (+1,400). Financial Activities (-1,100); Information (-900); and Other Services (-500) saw drops in employment.

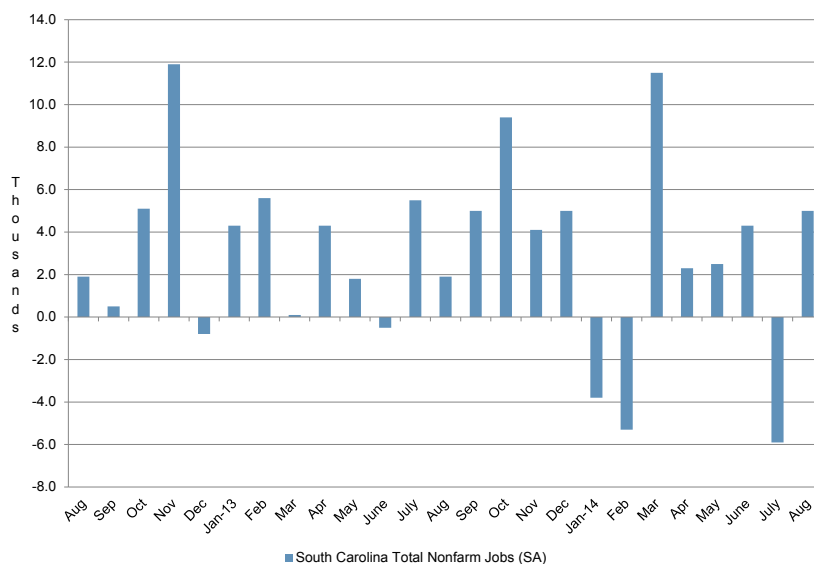
Four of the Metropolitan Statistical Areas saw a seasonally adjusted over-the-month increase in employment. Columbia had the largest increase (+2,500), followed by Charleston (+1,800), Greenville (+600), and Anderson (+500). Decreases were reported in Spartanburg (-1,000), Florence (-500), and Sumter (-100).

Every Metropolitan Statistical Area saw seasonally adjusted payroll employment growth from August 2013 to August 2014. The most prominent growth was in Greenville (+7,200), followed by an increase in Myrtle Beach (+6,900). Anderson, Spartanburg and Columbia all grew (+1,900 for each), while Florence (+1,700), Charleston (+800), and Sumter (+700) expanded by smaller levels.

**South Carolina Job Changes by Industry
August 2013 - August 2014 (SA)**



**SC Total Nonfarm Jobs
2012-2014**



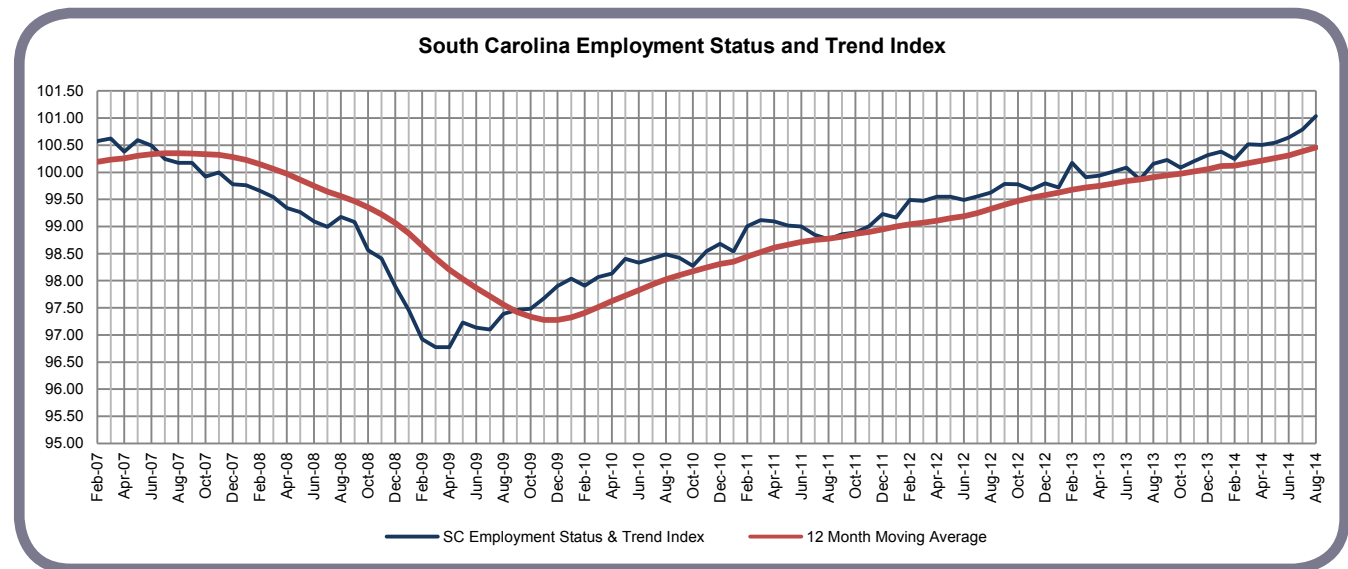
To see the monthly not-seasonally adjusted data series, go to
www.SCWorkforceInfo.com
 (Employment and Wage Data section)

South Carolina Employment Status and Trend Index Sets Another Life Time High

For the fourth consecutive month, South Carolina Employment Status and Trend Index (SCESTI) continued the upward trend, jumping 0.24 points to another lifetime high of 101.03. August's advance of SCESTI is the result of an over-the-board improvement of all the index components, led by the number of people filing Initial Claims for Unemployment Insurance, which was almost 21 percent lower than the previous month. The Conference Board's SC Help Wanted Online Ads and the Conference Board's US Consumer Confidence Index managed sizable growth climbing 4.95 and 2.33 percent, respectively. The Manufacture Average Weekly Working Hours and the Conference Board's US Consumer Confidence Index also achieved moderate gains, rising 0.73 and 0.56 percent respectively.

Compared with 12 months ago, SCESTI and four of the five index components, managed improvements, while only one component (Manufacture Average Weekly Working Hours) remained unchanged. SCESTI was 0.88 percent higher than it was in August 2013. Three out of the five index components have seen double-digit percentage point improvements: the Unemployment Insurance Initial Claims dropped almost 28 percent; the Conference Board's SC Help Wanted Online Ads surged almost 16 percent; and the US Consumer Confidence Index was 12.96 percent higher than 12 months ago. The Conference Board's US Employment Trends Index was also in the positive territory, higher than August 2013 by 6.9 percent.

August's advance of the SCESTI is significant. The index has broken its July record. Also, it marks the 36th consecutive month (since August 2011) the index kept its movements above the 12-month moving average, which indicates steady improvements for the employment situation in South Carolina for the next four to six months.



The Unemployment Rate: A Layman's Explanation

As far as public interest is concerned, the unemployment rate is probably the single most visible figure published by DEW in cooperation with BLS. As a key indicator of economic well-being, the rate has become even more visible in the wake of the last national recession.

The unemployment rate has an influence on financial markets and, to some extent, interest rates set by the Federal Reserve Bank. Business and community leaders use the rate to make operational decisions. Government officials use the rate as a basis for awarding government procurement contracts and allocating millions of dollars in job training and economic development funds. Since all states calculate unemployment according to a standard methodology prescribed by BLS, unemployment rates are often used to make comparisons of state economies.

With the current focus on the national and state economies, unemployment figures remain in the spotlight. However, the unemployment rate is one of the most often misunderstood economic indicators. So, just where does the unemployment rate come from, and what does it mean?

Common Misconceptions

Perhaps the most common misconception about the unemployment rate is that it is based totally on the number of individuals filing Unemployment Insurance (UI) claims. Actually, UI claimants comprise only about 15 to 30 percent of the total unemployed. Another misconception is that the monthly unemployment rate represents all unemployed individuals for the entire month. In reality, the jobless rate references a sample of the unemployed during the week that includes the 12th of the month. This is called the "standard survey reference week." Also, unemployed individuals are measured where they live, not where they work. This means that a layoff in a particular county can, because of commuting, impact the unemployment rate in a number of counties.

Who is Measured as Unemployed?

The measures of individuals counted as "employed" and "unemployed" are based on definitions determined by BLS. These definitions are based on objective, measurable criteria and are used nationwide. This means that the criteria defining an unemployed person in South Carolina are the same as for an unemployed person in California or anywhere else in the nation.

To be counted as employed, a person must be 16 years old or older and worked for pay or profit during the survey week. This includes part-time and temporary work, as well as regular full-time, year-round employment. An individual who works at least one hour during the survey week is counted as employed. To be counted as unemployed, a person must be 16 years old or older and have no job at all during the survey week. However, that person must be able, available, and actively looking for work. The sum of the employed and the unemployed comprises the total labor force. The unemployment rate is the ratio of the total unemployed to the total labor force.

Where Do These Numbers Come From?

The US Census Bureau has been designated by BLS to conduct a monthly survey of approximately 60,000 households across the nation. This survey is known as the Current Population Survey (CPS). The CPS, which includes households in every state, is conducted during the week after the standard survey reference week (week of the 12th). During the survey, Census interviewers determine the employment status for the previous week of all members of the survey households who are 16 years old and over. The basic question posed is "What were you doing last week?" If the individual held a job, he or she would be classified as employed. If he or she had no job, but were able, available, and actively looking for one, the individual would be classified as unemployed.

The CPS is designed to yield employment and unemployment statistics each month for the nation as a whole. South Carolina has approximately 1,200 households represented in the CPS. The state's CPS sample (like the samples of all other states) is too small to generate statistically precise data for the state. To minimize the overall variance, BLS has designed a statistical model for use by all states. This model supplements the results from the household survey with employment data from a monthly survey of businesses in the state, as well as claims data from the state's Unemployment Insurance program.

How Statistically Valid is the Unemployment Rate?

If you were to take a census of the entire population each month, the true unemployment rate would be known. Due to the prohibitive costs and time constraints, this is not practical. So, a random sample of the population is measured monthly (CPS). The difference between the true unemployment rate and the CPS is the error associated with the survey measurement process. The actual error in the estimates from the survey cannot be computed. However, BLS can determine the reliability of the survey measurement process. This is expressed in terms of confidence intervals.

For South Carolina, the actual unemployment rate could vary up to a 1.0 percentage points above or below the published rate 90 percent of the time. This can change based on the average and variability of the data in a given month. Ten percent of the time it could be outside the published rate. The unemployment rate is an estimate and therefore always subject to statistical variance/error. The current methodology is the result of decades of research and advancements in modeling techniques.

To maintain the highest level of accuracy possible, BLS conducts research on potential ways to improve the process for developing state and local unemployment statistics. As BLS continues to incorporate enhancements, the methodology will continually evolve and improve over time. The current BLS methodology is the best that is available. For years, the process has yielded data proven to mirror known economic developments in the states.

Analysis of Unemployment Statistics

The unemployment rate is just one of many economic indicators. It is very important that unemployment figures be used in conjunction with other useful labor market statistics in decision-making and in assessing economic trends. The most appropriate use of employment and unemployment data is for trend analysis. Because employment and unemployment statistics are estimates, they are subject to sampling variability in any given month. Consequently, it is best to view these data over time to determine underlying trends in the economy, rather than focusing on the unemployment rate for a particular month.